

Minnesota Department of Agriculture FSMIP Grant
Increased Market Opportunities for Christmas Trees through Market Research
(12-25-G-0338)
Final Report

Background:

The Minnesota Christmas Tree Association (MCTA) is conducting an extensive research project to evaluate several "exotic" species of Christmas trees. They have three separate sites in Minnesota, each with a scientifically designed trial for several different varieties. The young trees were transplanted in spring of 2001. As a result of their research, Christmas tree growers will have a better understanding of which species will grow here. Although this production research is not funded by USDA FSMIP, it does relate to the market research being conducted in cooperation with USDA FSMIP.

Three separate but related surveys were funded as part of this grant. The final report for each is included as part of this final report.

The first survey was conducted at the 2002 Minnesota State Fair and consisted of one hundred eighty personal interviews with fairgoers in the Minnesota Christmas Tree Association display. The second survey was conducted during November and December of 2002 and included 249 completed surveys of Christmas tree customers. The surveys were distributed on site at twelve farms and lots. The third survey consisted of written surveys sent to all Minnesota Christmas Tree Association members along with all other known Christmas tree growers in the state. It was conducted during April and May, 2003 and was completed by seventy Christmas tree growers.

Key Findings:

1. Consumers were shown a lineup of unlabeled tree varieties at the Minnesota State Fair. The lineup included both exotic species (Corkbark, Korean Fir, and Canaan Fir) in addition to more traditional varieties such as Balsam and Fraser Fir. Consumer reaction to the exotics was strong – in most cases, the Corkbark or the Korean were chosen as the *least* favorite tree. However, they were also chosen as the *most* favorite variety by many consumers. Ironically, the same reason given for placing those varieties as least favorite (unusual color and/or texture) was also given as the reason for placing them as the most favorite. Growers may want to consider planting some of these unusual varieties (assuming that they grow well in their location) but should avoid planting too many at the expense of more traditional varieties. By having some of them, the grower will be viewed as being progressive and offering a good selection but will also be able to supply the majority of customers who prefer traditional varieties.

2. Tradition and fragrance continue to be the primary reasons given for purchasing a real tree, while the convenience of artificial trees and the perceived mess associated with real trees are given as the main reasons for not buying a real tree.

3. There seems to be an increasing number of households that have no Christmas during the holidays (10% in our survey). At the same time, there appears to be an increasing number of households with more than one tree (11% in our survey).
4. While 51% of real tree customers surveyed on choose and cut farm stated that they had been buying real trees for over 16 years, over 30% stated that they were buying at this particular farm for the first time. This would indicate that many customers move from farm to farm rather than always going to the same place. For marketers, it also means that they must have good on-farm signage and staff willing to help first time customers.
5. Consumers at choose and cut farms nearly always are accompanied by other family members or friends. Only 4% indicated that they came by themselves. This reinforces the notion that marketing to families, providing family activities, and providing accommodations such as clean, accessible restrooms is critically important.
6. Balsam Fir and Fraser Fir remain the most popular trees, both in terms of what consumers purchased and what they listed as their favorite tree. Scotch Pine was a distant third in both areas.
7. Consumers are willing to travel farther to visit a choose-and-cut farm than a retail lot. Over 20% of respondents indicated that they traveled more than 20 miles to get to the farm.
8. On a scale from 1-5 with 5 being the most satisfied, the average satisfaction with the price paid was 4.0. This would seem to indicate that consumers perceive that they are receiving at least fair value and that if anything, growers may wish to explore raising prices to maximize revenue.
9. Of the total number of trees currently being grown in Minnesota, 7.3% are exotic species. Canaan Fir is the most common exotic species being grown with Meyer Spruce a distant second. Other varieties in the ground include Korean, Concolor, Nikko, Bracted Balsam and Corkbark.
10. Of the traditional varieties grown in Minnesota, Balsam ranks first in terms of tree numbers. Scotch Pine is the second most common variety but most of those trees are at least 6 years old. Of trees 0-5 years old, Fraser Fir is the second most common tree in the ground and White Pine is the 3rd most common tree. Scotch Pine is fourth.

Communication of results to growers:

The Minnesota Department of Agriculture contracted with the Minnesota Christmas Tree Association to provide communication of the survey progress and results to growers. The association accomplished this through:

- Regular project updates published in their newsletter
 - Updates on the various surveys have been published in every association newsletter since the project began.

- Project updates and presentation of research educational conferences.
 - Summer field days 2002
 - Winter meeting 2003
 - Summer field days 2003

Other MCTA contributions:

- In addition to communicating results, the association provided their member mailing labels for use in conducting the grower survey.
- They also provided the six trees that were used in the state fair survey.
- The association provided important feedback to ensure that these surveys would compliment the ongoing exotic production research.

Notes on the SF-269 final financial report:

As noted on the final SF-269, the Minnesota Department of Agriculture provided an additional \$2,532 of match over and above the budgeted amount.

The MDA received \$14,500 of federal funding from FSMIP and provided \$17,032 in matching funds. Of the matching funds, \$13, 232 was provided by the MDA and \$3,800 was provided by the Minnesota Christmas Tree Association.

The MDA wishes to thank USDA – FSMIP for their support of this project.